

## NEWS BRIEF



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### Report: 28% of Employers Considering Covering FDA-approved Weight Loss Drugs

An annual report by pharmacy benefit consulting company Pharmaceutical Strategies Group (PSG) found that 43% of employers currently cover FDA-approved weight loss medications, while 28% are considering doing so in the next one to two years.

The report surveyed over 150 employers and health plans. Smaller and larger employers are nearly equally likely to be currently covering these medications (42% and 40%, respectively); however, small employers are less likely to be considering this coverage compared to larger employers (20% and 36%, respectively). Many employers are familiar with popular weight loss drugs, such as Wegovy and Mounjaro, and an increasing number of health plans are starting to cover FDA-approved weight loss drugs in response to employee desires.

Although the American Medical Association recognized obesity as a disease in 2013, employers are divided on whether it's a lifestyle condition that should not be covered (24%) or a chronic condition that should be treated (21%), according to the PSG report. The top reason employers decided not to cover FDA-approved weight loss drugs was because they consider the medications to be lifestyle drugs. Other reasons employers excluded weight loss drugs include:

- The medications are too expensive, often costing more than \$10,000 per individual per year.
- There are concerns that the medications may not lead to long-term weight loss.
- The medications would need to be taken for an indefinite duration.

Regarding employers who cover FDA-approved weight loss drugs, the report found that 22% of employers require employees to participate in a lifestyle modification program in order to be eligible for the drugs. For 20% of employers, participation in such programs is voluntary. Of employers who cover weight loss medications, only 16% currently measure the outcomes of these drugs. However, 36% plan on implementing such measures in the future. The report also found that 50% of employers who measured outcomes of weight loss medication were somewhat or very satisfied versus 20% who were dissatisfied.

Even though employers can put limitations on weight loss medications coverage, such as cost or duration of treatment limits, only 14% have done so.



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## Employer Takeaway

The popularity of weight loss drugs has reached a fever pitch in the United States, with more employees inquiring with employers about these medications. As a result, employers are faced with the difficult decision of whether to cover these expensive medications.

The PSG report shows that employer responses to the rise of weight loss medications differ. Understanding these trends can help employers decide what's best for their organizations and their benefits plans.

Contact The Timberland Group for more employee benefits resources.

*Source: Zywave*